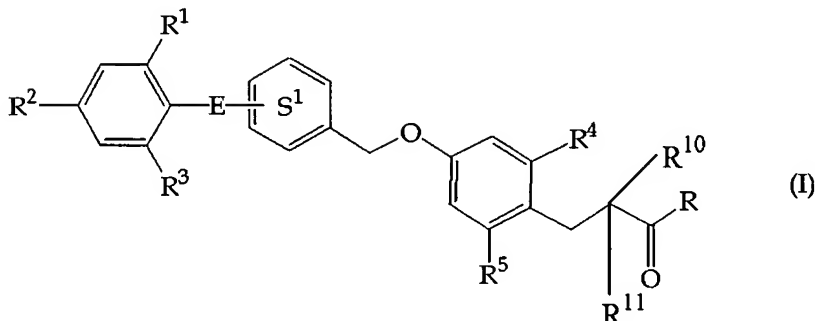


## Amendments to the Claims

1. (Currently amended) A compound represented by the formula (I):



wherein

$R^1$ ,  $R^3$ ,  $R^4$  and  $R^5$

are the same or different and each is a hydrogen atom, a halogen atom, optionally substituted  $C_{1-6}$  alkyl group, optionally substituted  $C_{2-6}$  alkenyl group, optionally substituted  $C_{2-6}$  alkynyl group, optionally substituted  $C_{3-8}$  cycloalkyl group, optionally substituted  $C_{6-14}$  aryl group, optionally substituted  $C_{7-16}$  aralkyl group ~~an optionally substituted hydrocarbon group~~ or an optionally substituted hydroxy group;

$R^2$  is a halogen atom, a nitro group, optionally substituted  $C_{1-6}$  alkyl group, optionally substituted  $C_{2-6}$  alkenyl group, optionally substituted  $C_{2-6}$  alkynyl group, optionally substituted  $C_{3-8}$  cycloalkyl group, optionally substituted  $C_{6-14}$  aryl group, optionally substituted  $C_{7-16}$  aralkyl group ~~an optionally substituted hydrocarbon group~~, an optionally substituted hydroxy group, an optionally substituted amino group, an optionally substituted mercapto group, an optionally substituted acyl group or an optionally substituted heterocyclic group;  
 $R^{10}$  and  $R^{11}$  are the same or different and each is a hydrogen atom, a halogen atom or a  $C_{1-6}$  alkoxy group;

E is a bond, an optionally substituted  $C_{1-4}$  alkylene group,  $-W^1-O-W^2-$ ,  $-W^1-S-W^2-$  or  $-W^1-N(R^6)-W^2-$  (wherein  $W^1$  and  $W^2$  are the same or different and each is a bond or an optionally substituted  $C_{1-3}$  alkylene group, and  $R^6$  is a hydrogen atom, an optionally substituted acyl group, optionally substituted  $C_{1-6}$  alkyl group, optionally substituted  $C_{2-6}$  alkenyl group, optionally substituted  $C_{2-6}$  alkynyl group, optionally substituted  $C_{3-8}$  cycloalkyl group, optionally substituted  $C_{6-14}$  aryl group

~~or optionally substituted C<sub>7-16</sub> aralkyl group or an optionally substituted hydrocarbon group~~);

ring S<sup>1</sup> is a benzene ring optionally further having substituent(s) selected from a halogen atom, optionally substituted C<sub>1-6</sub> alkyl group, optionally substituted C<sub>2-6</sub> alkenyl group, optionally substituted C<sub>2-6</sub> alkynyl group, optionally substituted C<sub>3-8</sub> cycloalkyl group, optionally substituted C<sub>6-14</sub> aryl group, optionally substituted C<sub>7-16</sub> aralkyl group ~~an optionally substituted hydrocarbon group~~, an optionally substituted hydroxy group and an optionally substituted amino group; and

R is an optionally substituted hydroxy group or an optionally substituted amino group;

provided that R<sup>1</sup> and R<sup>3</sup> are not simultaneously a hydrogen atom, or a salt thereof.

2. (Original) The compound of claim 1, wherein R<sup>2</sup> is a halogen atom, an optionally substituted hydrocarbon group, an optionally substituted hydroxy group, an optionally substituted amino group, an optionally substituted mercapto group or an optionally substituted heterocyclic group, and R<sup>10</sup> and R<sup>11</sup> are both hydrogen atoms, or a salt thereof.

3. (Cancelled)

4. (Original) The compound of claim 1, wherein R<sup>4</sup> and R<sup>5</sup> are the same or different and each is a hydrogen atom or a halogen atom, or a salt thereof.

5. (Original) The compound of claim 1, wherein E is a bond, or a salt thereof.

6. (Original) The compound of claim 1, wherein R is a hydroxy group, or a salt thereof.

7. (Original) The compound of claim 1, wherein R<sup>1</sup> and R<sup>3</sup> are the same or different and each is a C<sub>1-6</sub> alkyl group, or a salt thereof.

8. (Original) The compound of claim 1, wherein R<sup>2</sup> is an optionally substituted hydroxy group, or a salt thereof.

9. (Original) The compound of claim 1, wherein R<sup>10</sup> and R<sup>11</sup> are both hydrogen atoms, or a salt thereof.

10. (Original) The compound of claim 1, wherein ring S<sup>1</sup> is a benzene ring optionally further having a C<sub>1-6</sub> alkoxy group, or a salt thereof.

11. (Original) 3-[4-[[4'-(benzyloxy)-2',6'-dimethylbiphenyl-3-yl]methoxy]phenyl]propanoic acid;  
3-(4-{[4'-(2-ethoxyethoxy)-2',6'-dimethylbiphenyl-3-yl]methoxy}phenyl)-2,2-difluoropropanoic acid;  
3-[4-({4'-[2-(ethylsulfonyl)ethoxy]-2',6'-dimethylbiphenyl-3-yl}methoxy)-2-fluorophenyl]propanoic acid;  
3-[4-({2',6'-dimethyl-4'-[3-(2-oxopyrrolidin-1-yl)propoxy]biphenyl-3-yl}methoxy)-2-fluorophenyl]propanoic acid;  
3-[4-({2',6'-dimethyl-4'-[(6-methylpyridin-2-yl)methoxy]biphenyl-3-yl}methoxy)-2-fluorophenyl]propanoic acid;  
3-[2-fluoro-4-({4'-[(4-hydroxy-1,1-dioxidotetrahydro-2H-thiopyran-4-yl)methoxy]-2',6'-dimethylbiphenyl-3-yl}methoxy)phenyl]propanoic acid;  
3-[4-({2',6'-dimethyl-4'-[(methylsulfonyl)oxy]biphenyl-3-yl}methoxy)-2-fluorophenyl]propanoic acid;  
3-[4-({4'-[(1,1-dioxidotetrahydro-2H-thiopyran-4-yl)oxy]-2',6'-dimethylbiphenyl-3-yl}methoxy)-2-fluorophenyl]propanoic acid;  
3-[4-({2',6'-dimethyl-4'-[(3-methyloxetan-3-yl)methoxy]biphenyl-3-yl}methoxy)-2-fluorophenyl]propanoic acid;  
3-(4-{[2',6'-dimethyl-4'-(tetrahydro-2H-pyran-4-yloxy)biphenyl-3-yl]methoxy}-2-fluorophenyl)propanoic acid;  
3-[4-({4'-[3-(diethoxyphosphoryl)propoxy]-2',6'-dimethylbiphenyl-3-yl}methoxy)-2-fluorophenyl]propanoic acid;  
3-[2-fluoro-4-({6-isopropoxy-2',6'-dimethyl-4'-[(3-methyloxetan-3-yl)methoxy]biphenyl-3-yl}methoxy)phenyl]propanoic acid;  
or a salt thereof.

12. (Cancelled)

13. (Previously presented) A pharmaceutical agent comprising a compound of claim 1 or a salt thereof.

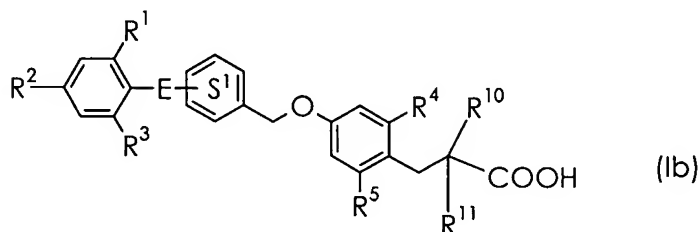
14-15. (Cancelled)

16. (Currently amended) A method for the production of an agent for the ~~prophylaxis or~~ treatment of diabetes, which comprises mixing a compound of claim 1 or a salt thereof with a pharmaceutically acceptable carrier.

17. (Cancelled)

18. (Currently amended) A method for the ~~prophylaxis or~~ treatment of diabetes in a mammal, which comprises administering an effective amount of a compound of claim 1 or a salt thereof to the mammal.

19. (Currently amended) A production method of a compound represented by the formula (Ib):



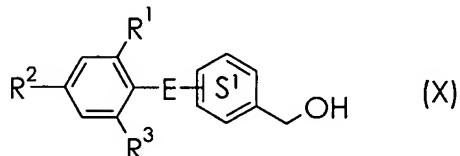
wherein  $R^1$ ,  $R^3$ ,  $R^4$  and  $R^5$

are the same or different and each is a hydrogen atom, a halogen atom, optionally substituted  $C_{1-6}$  alkyl group, optionally substituted  $C_{2-6}$  alkenyl group, optionally substituted  $C_{2-6}$  alkynyl group, optionally substituted  $C_{3-8}$  cycloalkyl group, optionally substituted  $C_{6-14}$  aryl group, optionally substituted  $C_{7-16}$  aralkyl group ~~an optionally substituted hydrocarbon group~~ or an optionally substituted hydroxy group;

$R^2$  is a halogen atom, a nitro group, optionally substituted  $C_{1-6}$  alkyl group, optionally substituted  $C_{2-6}$  alkenyl group, optionally substituted  $C_{2-6}$  alkynyl group, optionally substituted  $C_{3-8}$  cycloalkyl group, optionally substituted  $C_{6-14}$  aryl group, optionally substituted  $C_{7-16}$  aralkyl group ~~an optionally substituted hydrocarbon group~~, an optionally substituted hydroxy group, an optionally substituted amino group, an optionally substituted mercapto group, an optionally substituted acyl group or an optionally substituted heterocyclic group;  
 $R^{10}$  and  $R^{11}$  are the same or different and each is a hydrogen atom, a halogen atom or a  $C_{1-6}$  alkoxy group;

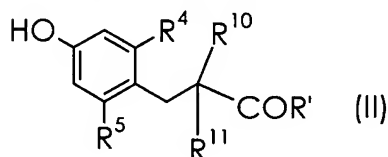
E is a bond, an optionally substituted C<sub>1-4</sub> alkylene group, -W<sup>1</sup>-O-W<sup>2</sup>-, -W<sup>1</sup>-S-W<sup>2</sup>- or -W<sup>1</sup>-N(R<sup>6</sup>)-W<sup>2</sup>- (wherein W<sup>1</sup> and W<sup>2</sup> are the same or different and each is a bond or an optionally substituted C<sub>1-3</sub> alkylene group, and R<sup>6</sup> is a hydrogen atom, an optionally substituted acyl group, optionally substituted C<sub>1-6</sub> alkyl group, optionally substituted C<sub>2-6</sub> alkenyl group, optionally substituted C<sub>2-6</sub> alkynyl group, optionally substituted C<sub>3-8</sub> cycloalkyl group, optionally substituted C<sub>6-14</sub> aryl group, optionally substituted C<sub>7-16</sub> aralkyl group or an optionally substituted hydrocarbon group);

ring S<sup>1</sup> is a benzene ring optionally further having substituent(s) selected from a halogen atom, optionally substituted C<sub>1-6</sub> alkyl group, optionally substituted C<sub>2-6</sub> alkenyl group, optionally substituted C<sub>2-6</sub> alkynyl group, optionally substituted C<sub>3-8</sub> cycloalkyl group, optionally substituted C<sub>6-14</sub> aryl group, optionally substituted C<sub>7-16</sub> aralkyl group, an optionally substituted hydrocarbon group, an optionally substituted hydroxy group and an optionally substituted amino group; and provided that R<sup>1</sup> and R<sup>3</sup> are not simultaneously a hydrogen atom, or a salt thereof, which comprises reacting a compound represented by the formula (X):



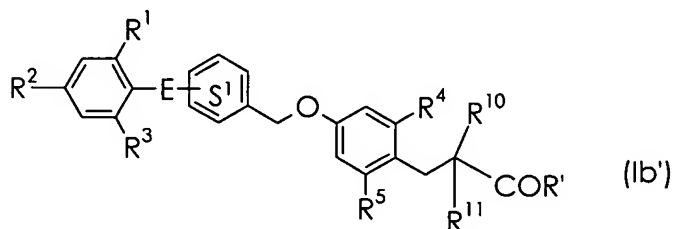
wherein each symbol is as defined above,

or a salt thereof, and a compound represented by the formula (II):



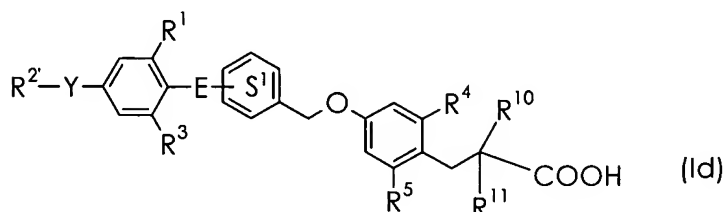
wherein R<sup>4</sup>, R<sup>5</sup>, R<sup>10</sup> and R<sup>11</sup> are as defined above, and R' is an optionally substituted C<sub>1-6</sub> alkoxy group,

or a salt thereof, to give a compound represented by the formula (Ib'):



wherein each symbol is as defined above,  
or a salt thereof, and subjecting the compound or a salt thereof to a  
hydrolysis reaction.

20. (Currently amended) A production method of a compound represented  
by the formula (Id):



wherein  $R^1$ ,  $R^3$ ,  $R^4$  and  $R^5$

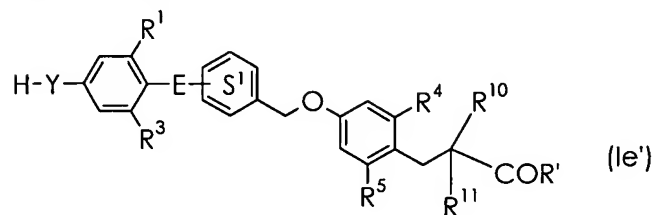
are the same or different and each is a hydrogen atom, a  
halogen atom, optionally substituted  $C_{1-6}$  alkyl group, optionally  
substituted  $C_{2-6}$  alkenyl group, optionally substituted  $C_{2-6}$  alkynyl group,  
optionally substituted  $C_{3-8}$  cycloalkyl group, optionally substituted  $C_{6-14}$   
aryl group, optionally substituted  $C_{7-16}$  aralkyl group ~~an optionally~~  
~~substituted hydrocarbon group~~ or an optionally substituted hydroxy  
group;

$R^{10}$  and  $R^{11}$  are the same or different and each is a hydrogen atom, a  
halogen atom or a  $C_{1-6}$  alkoxy group;

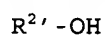
E is a bond, an optionally substituted  $C_{1-4}$  alkylene group,  
- $W^1$ -O- $W^2$ -, - $W^1$ -S- $W^2$ - or - $W^1$ -N( $R^6$ )- $W^2$ - (wherein  $W^1$  and  $W^2$  are the same or  
different and each is a bond or an optionally substituted  $C_{1-3}$  alkylene  
group, and  $R^6$  is a hydrogen atom, an optionally substituted acyl group,  
optionally substituted  $C_{1-6}$  alkyl group, optionally substituted  $C_{2-6}$   
alkenyl group, optionally substituted  $C_{2-6}$  alkynyl group, optionally  
substituted  $C_{3-8}$  cycloalkyl group, optionally substituted  $C_{6-14}$  aryl  
group, optionally substituted  $C_{7-16}$  aralkyl group ~~or an optionally~~  
~~substituted hydrocarbon group~~);

ring  $S^1$  is a benzene ring optionally further having substituent(s)  
selected from a halogen atom, optionally substituted  $C_{1-6}$  alkyl group,  
optionally substituted  $C_{2-6}$  alkenyl group, optionally substituted  $C_{2-6}$   
alkynyl group, optionally substituted  $C_{3-8}$  cycloalkyl group, optionally  
substituted  $C_{6-14}$  aryl group, optionally substituted  $C_{7-16}$  aralkyl group  
~~an optionally substituted hydrocarbon group~~, an optionally substituted  
hydroxy group and an optionally substituted amino group; and  
provided that  $R^1$  and  $R^3$  are not simultaneously a hydrogen atom,

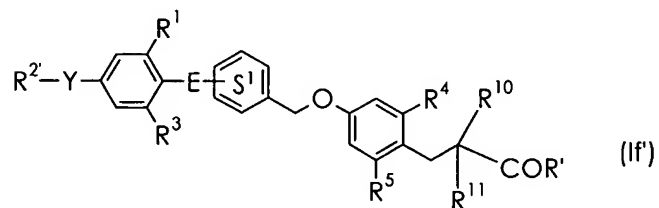
Y is -O- or -S-, and R<sup>2'</sup> is a substituent,  
 or a salt thereof, which comprises reacting a compound represented by  
 the formula (Ie'):



wherein R<sup>1</sup>, R<sup>3</sup>, R<sup>4</sup>, R<sup>5</sup>, R<sup>10</sup>, R<sup>11</sup>, E, Y and ring S<sup>1</sup> are as defined above, R'  
 is an optionally substituted C<sub>1-6</sub> alkoxy group,  
 or a salt thereof, and a compound represented by the formula:



wherein R<sup>2'</sup> is as defined above,  
 or a salt thereof, to give a compound represented by the formula (If'):



wherein each symbol is as defined above,  
 or a salt thereof, and subjecting the compound or a salt thereof to a  
 hydrolysis reaction.